

RETURN TO:
Hidden Cove Owners Association
P.O. Box 981854
Park City, UT 84098

BY-LAWS OF THE HIDDEN COVE OWNERS ASSOCIATION

Pursuant to the provisions of the Utah Non-Profit Corporations Act, the Board of Trustees of the Hidden Cove Owners' Association voted to change, amend and completely restate the original By-Laws dated June 7, 1973. Therefore, the Board of Trustees voted to adopt the foregoing By Laws at a duly called meeting on November 6, 2008. Upon recordation of this instrument with the Summit County Recorder, the original By-Laws shall be entirely superseded by these new and restated By Laws.

ARTICLE I – ORGANIZATION OF ASSOCIATION

The Association is organized as a non-profit corporation under the "Utah Non-Profit Corporation Act of the State of Utah" solely and strictly as an Association of land owners, and the Board of Trustees acts as an agent for said owners in the maintenance, control, operation, and management, of the subdivision. It is not intended that the Association realize any profit on its activities, although contingency or reserve funds may be permitted to accumulate at the discretion of the Board of Trustees.

ARTICLE II -- NAME AND PRINCIPAL OFFICE

Section 1 - Name: The name of the Corporation is "Hidden Cove Owners Association" and it is referred to herein as the "Association".

Section 2 - Offices: The offices of the Association shall reside within in Hidden Cove Subdivision at the home of the President or Secretary of the Corporation. The Association shall maintain a post office box in Summit County for the receipt of all mail.

ARTICLE III -- MEMBERS

Section 1 - Members. The Corporation shall be made up of its Members. Membership is appurtenant to ownership of a platted Lot in the Hidden Cove Subdivision. Membership shall transfer with title to that Lot upon payment of the transfer fee as established by the Board of Trustees and may not be assigned or transferred except in conjunction with said title.

Section 2 - Multiple Ownership. There is one (1) Membership appurtenant to each Lot in the Subdivision. In the event that a Lot is owned by more than one person or entity, as tenants in common or joint tenancy, those persons owning such divided interest shall decide among themselves who will represent Membership of that Lot. Only one vote will be accepted from each Lot.

Section 3 - Leases. Persons leasing or renting a property on a platted Lot in the Subdivision shall have no rights of Membership.

Section 4 – Meeting and Authority. Members shall have the authority to elect a Board of Trustees to conduct the business and affairs of the Association on their behalf. Such Trustees shall be elected at the annual meeting of the Members of the Association

ARTICLE IV: BOARD OF TRUSTEES

Section 1 - Structure. The Board of Trustees ("Board") shall consist of six (6) Members, elected by the general Membership of the Association at its annual meeting. Each Trustee shall serve a term of three (3) years, which terms shall be staggered every two years between Trustees. The Board of Trustees shall appoint Officers of the Corporation (President, Vice-President, Secretary, Treasurer) from among the Trustees to serve one (1) year terms, which appointments shall take place within 30 days after the Membership Annual Meeting. Terms shall be staggered as illustrated below:

Year:	1	2	3	4	5
Trustee-1					
Trustee-2					
Trustee-3					
Trustee-4					
Trustee-5					
Trustee-6					

Section 2 - General Powers. The Board shall have authority to manage the property and business affairs of the Association. The Board may exercise powers conferred upon it by Utah Law, the Articles of Incorporation, Association By-Laws, and/or the CC&R's for the Subdivision, except those powers reserved to the General Membership of the Association. The Board may enter into agreements and contracts with third parties for the maintenance and well being of its Members, as it may deem appropriate. The Board of Trustees shall have authority and responsibility to administer the CC&R's including Building Regulations within the Sub-division.

Section 3 - Regular Trustee Meetings: The Board shall have at least two (2) regular meetings per year. The first regular meeting shall take place within 30 days of the Members annual meeting and the second meeting shall be approximately six (6) months from the first meeting. Other Board meetings may be called from time to time.

Section 4 - Special Trustee Meetings: Special meetings of the Board may be held whenever called by the President, Vice-President, or by four (4) Board Members, by giving notice to the other Board Members by telephone, U.S. mail or email at least seven (7) days in advance. Business of the Board may be conducted by electronic mail, provided written records of all such meetings and decisions are kept in a printed record and entered into the minutes of the Board by the Secretary.

Section 5 - Quorum: A quorum of the Board shall be four (4) Trustees present. Board Members may be counted as present if they are participating in the meeting by telephone or electronic communication. No proxies will be given among Board Members. Actions of the Board may only be taken by formal action of the Board, and no individual Trustee or Officer shall have the authority to act on behalf of the Association except as defined herein.

Section 6 - Deadlock: In the event of a deadlock of the Board, the Board shall decide on any method or protocol to break the deadlock and shall meet again within three (3) days to decide the issue. If the Board cannot agree on such a method, the President shall decide the method to break the deadlock.

Section 7 - Committees. The Board may designate one or more committees to function on a standing or special basis. Each committee shall consist of three (3) or more Members of the Association, including one Trustee. The Architectural Control Committee shall be comprised exclusively of members of the Board of Trustees. The duration, function and goals of such committee(s) shall be determined by the Board. Such committees shall keep the Board informed of their activities. The President may appoint persons to fill vacancies on each of said committees.

Section 8 - Compensation. The Board of Trustees shall serve without compensation, provided that their reasonable out-of-pocket expenses for the Association's business may be reimbursed by the Association.

Section 9 - Resignation or Removal. Any Trustee may resign from the Board at any time, giving at least 30 days written notice. A Trustee is deemed to have resigned when they cease to own property within the Subdivision or misses three (3) consecutive meetings called by the Board. Any Trustee may be removed prior to the end of their term of office by an affirmative vote of at least four (4) Trustees or 2/3 majority of remaining Trustees, whichever is greater, at a regular or special meeting of the Board, or by a majority of the Members at a Special Members Meeting.

Section 10 - Vacancies. Vacancies on the Board will be filled by the appointment of a successor by the remainder of the Board. Such appointee will serve out the remaining term of the resigning or removed Trustee and will stand for election at the next annual meeting of the Members.

ARTICLE V: OFFICERS

Section 1 - Selection of Officers. The Board of Trustees shall appoint the officers of the Association from among its members. Such appointment shall take place at the first annual meeting of the Trustees, within 30 days of the annual meeting of the Members. Officers may serve successive terms, if re-appointed by the Board. The officers shall consist of:

Section 2 - President. The President shall be the chief executive of the Association and shall exercise general supervision over its property and business affairs. The President shall preside at Board and Member meetings. The President shall supervise and be primarily responsible for the day-to-day affairs of the Association. The President shall perform such other duties as assigned by the Board. The President and Secretary are authorized to execute legal documents on behalf of the Association, for recordation of deeds, assignments, and other legal matters of the Association.

Section 4 - Vice President. The Vice-President shall assume the duties and responsibilities of the President in the event of the President's absence or inability to act. The Vice-President shall perform such other duties and responsibilities as set forth by the Board of Trustees.

Section 5 - Secretary. The Secretary shall keep the minutes of Board and Members meetings; cause notices of all meetings be issued as called for in these By-Laws; file annual reports; and to perform all other assignments reasonably assigned by the Board. An Assistant Secretary may also be appointed, at the discretion of the Board of Trustees, who shall, in the event of the Secretary's absence or inability to act, perform the duties and functions of the Secretary. The Assistant Secretary may or may not be a Trustee, at the discretion of the Board.

Section 6 - Treasurer. The Treasurer shall have custody and control of all financial records, bank statements, checking, savings and escrow accounts containing funds of or deposited with the Association, and be responsible for keeping accurate financial records of the Association. The Treasurer shall be responsible for collection of all dues and special assessments of Members and for payment of all bills and obligations of the Association. All checks in excess of \$100.00 shall require two signatures, one of the Treasurer and one of the President or Secretary of the Association. The Treasurer shall report on the financial condition of the Association at the annual Members meeting and meetings of the Board of Trustees.

Section 7 - Control of Funds. All funds shall be deposited or disbursed through the checking account of the Association. Funds may be moved into or out of a savings account or escrow account of the Association only through the checking account. Such account transfers within accounts of the Association

may be done by the Treasurer or if absent by the President, but payment of obligations or return of monies in Escrow must only be through the checking account, subject to the signature requirement of Section 6 above.

Section 8 - At-Large Trustees: The two remaining Trustees of the Board shall be assigned specific responsibilities (such as Architectural Committee) as determined by the Board of Trustees.

Section 9 - Conflict of Interest: No member of the Board of Trustees, or any of its committees, shall derive any personal profit or financial gain, directly or indirectly, by reason of his or her participation with the Association. Conflict of interest includes any bias or the appearance of bias in a decision-making process. Each Trustee or individual shall disclose to the Board of Trustees any personal or financial interest which he or she may have in any matter pending before the Board of Trustees and shall refrain from participation and voting in any decision on such matter.

ARTICLE VI -- MEETINGS AND NOTICE

Section 1 - Annual Meetings. The annual meeting of the Members shall be determined by the Board of Trustees including the date, time and place. Members shall elect at the Annual Meeting two (2) of the six Trustees to serve three-year terms. Only Members of the Association shall be elected Trustees. The meeting shall also provide for recommendations and feedback to the Board of Trustees as to any concerns or issues that Members may have about the Association.

Section 2 - Special Meetings. Special meetings of the Members may be called by at least four (4) Trustees, or by the Members of the Association representing not less than one-quarter (1/4) of the total votes of the Association. When a special meeting is called by the Members of the Association, the notice shall be in writing and delivered to the President and/or Secretary of the Association, and the meeting shall take place no longer than 30 days from the date of such notice.

Section 3 - Place of Meeting. All meetings will be held at a designated location in Summit County, Utah, unless the Board of Trustees have authorized the meeting be held elsewhere.

Section 4 - Notice of Members Meetings. Written notice of the Annual or Special Meetings of Members shall be sent to each Member at least fourteen (14) days prior to the date of such meeting. Notice may be delivered (a) in person, (b) by U.S. Mail, or (c) by confirmed email. Such Notice shall be delivered to the last known address / email of the Member. If there are multiple owners on a single lot, they must designate one of them to receive the notice of the meeting on their behalf.

Section 5 - Notice of Special Meetings. Special meetings of the Members or Board of Trustees may be called pursuant to these By-Laws. Notice of such special meeting(s) shall be given to each Member or Trustee in writing at least fourteen (14) days before the time fixed for the meeting. The notice shall advise each Member as to the date, time, place and general purpose of the meeting and may be delivered (a) in person, (b) by U.S. Mail, or (c) by confirmed email. Such Notice shall be delivered to the last known address / email of the Member. If there are multiple owners on a single lot, they must designate one of them to receive the notice of the meeting on their behalf.

Section 6 - Presiding Officer. The President, and in his absence, a Vice-President, shall preside at all Membership and Board meetings.

Section 7 - Quorum. A quorum of the Membership shall consist of at least fifteen (15) Members present, not including proxy or absentee votes, at the annual meeting. Members may vote on issues of the Association at their annual meeting, in addition to election of Trustees. Such issues shall be decided as a

matter of policy for the Board of Trustees and Officers to carry out. A majority vote of the Members present, in person or represented by proxy, shall decide the question brought before such meeting, including the election of Trustees, unless in matters pertaining to CC&R's or Building Regulations, which require a 2/3 vote of all Members.

Section 8 - Proxies and Absentee Votes. All votes may be cast by the members either in person, by proxy or by absentee vote. All proxies and absentee votes must be in writing, signed by the Member as shown on the records of the Association. Proxies and Absentee votes shall be delivered to and reviewed by the Secretary of the Association at least seven (7) days prior to an annual meeting and three (3) days prior to a special meeting.

Section 9 - Registered Member. At any Annual or Special meetings of the Members, only those Members who have paid all Association dues and/or assessments are entitled to vote, in person, by proxy or by absentee vote.

Section 10 - Waiver of Irregularities. Any inaccuracies, irregularities, or errors in any notice for a meeting or meetings, or in the matter of voting, form of proxies, absentee votes, or credentials shall be deemed waived if there is no objection stated at the meeting.

ARTICLE VII -- ANNUAL STATEMENT

The Board of Trustees and Treasurer shall present at the annual meeting, and when called for by a vote of the members at any special meeting of the members, a full and complete statement of the business and condition of the Association.

ARTICLE VIII -- FISCAL YEAR

The fiscal year of the Association shall be July 1st to June 30th of the following year.

ARTICLE IX -- COVENANTS, CONDITIONS & RESTRICTIONS

The Board of Trustees shall have the power to establish, modify, adopt and implement Covenants, Conditions and Restrictions (hereinafter "CC&R's"), and Building Rules, including but not limited to the design, materials and colors of structures within the Association boundaries, platted Lot setbacks, septic systems, parking restrictions, storage of materials, outbuildings, utility and other easements, maintenance of grounds, landscaping requirements, and general operational rules of the Association as the Board of Trustees may deem reasonably necessary to maintain the highest standards of living and preservation of property values within the Sub-division. The Board shall cause such CC&R's to be recorded with the Summit County Recorder as appurtenant to title to a platted lot within the Sub-division. The Board may from time to time, by 2/3 vote of Trustees and approved at the annual meeting of Members, alter, amend, and repeal such CC&R's and to re-record such changes with the County Recorder. Members of the Association shall at all times obey such CC&R's and see that they are faithfully observed by those persons over whom they have or may exercise control and supervision, it being understood that such rules shall apply and be binding upon all Members of the Association and upon all owners and occupants of the subdivision.

ARTICLE X - OPERATION AND MAINTENANCE

The Board of Trustees, as agent for its Members, is responsible for the enforcement and implementation of the CC&R's of Hidden Cove as recorded with the Summit County Recorder. The assessment of

Members for the operation of the Association shall be determined by the Board and governed by the CC&R's of Hidden Cove Owners Association, as recorded with the Summit County Recorder.

ARTICLE XI – AMENDMENTS

These By-Laws may be modified, altered, changed or substituted by the affirmative vote of a 2/3 vote of the Board of Trustees at any regular or special meeting of the Board. Such changes shall be registered with the Summit County Recorder.

ARTICLE XII – OPERATION & MAINTENANCE OF THE SUBDIVISION

The Board of Trustees, as agent for its Members, is responsible for the enforcement and implementation of these By-Laws and the CC&R's within all phases of the Hidden Cove sub-division as per recorded with State and County governments.

ARTICLE XIII – FINANCIAL MATTERS

Section 1 - Funds. Members of the Association shall pay an annual dues assessment in an amount as determined by the Board of Trustees to ensure the solvency of the Association. The amounts so paid by Members, plus any funds received for the sale of assets of the Association, or from special assessments, or from other means shall be deposited to an interest-bearing bank account of the Association. Funds required for operating expenses shall be transferred to a bank checking account (if not interest bearing) and shall be used by the association for the purposes and activities listed herein.

Section 2 - Payment of Expenses. All costs and expenses of the Association, as agent for its Members, in connection with the maintenance, control, operation and management of the Subdivision shall be paid and discharged promptly by the Treasurer on behalf of the Association.

Section 3 - Contingency Reserve. The Board shall establish a contingency reserve amount in the amount of at least 50% of the annual expenses of the Association, which shall remain as a balance in the interest-bearing account for emergency and unforeseen expenses. The percentage of such reserves can be changed by the Board from time to time by a vote of the majority of the Board.

Section 4 – Special Assessments. From time to time the Board of Trustees may elect to initiate non-recurring costs and expenses pursuant to its duties, such as capital expenditures, extra costs of weather impacts, common area upgrades, etc. which may reduce the contingency reserve to below that required by these By-Laws. In such event, the Board may issue a one-time Special Assessment to Members to (a) cover the actual cost of such non-recurring cost or, (b) restore the contingency reserve to its required amounts or, (c) both. Any such Special Assessment shall be billed to each Member separately from the Annual Dues, and shall be paid within 60 days of the date of billing.

Section 5 - Escrow Account. The Association will establish a non-interest bearing Escrow Account to receive deposits from Members pursuant to their building or improving their property (such as for landscaping). Such deposits are not the property of the Association, but shall be used as good faith deposits for the timely completion of work approved on the Lot of the Member. When the work is complete as approved by the Association, the funds deposited by the Member shall be returned within thirty (30) days of such approval. In the event the Member does not fully comply with the requirements of the approval or CC&R's or Building rules, after reasonable notice to the Member to comply, the Association is authorized to use any funds or deposit by the Member to complete the work as approved. If the cost of completing the work exceeds the deposit of the Member, the Association shall bill the

the approval or CC&R's or Building rules after reasonable notice to the Member to comply, the Association is authorized to use any funds on deposit by the Member to complete the work as approved. If the cost of completing the work exceeds the deposit of the Member, the Association shall bill the Member for the excess costs incurred by their non-compliance. This bill for excess costs shall be paid by the Member within 30 days of billing date.

Section 6 - Collection of Funds. Any Members who have not paid their annual dues, special assessments or other valid charges or assessments, within thirty (30) days from the date of Notice, shall be subject to interest charges at the rate of 1 5% per month on the outstanding balance. In the event that accounts are 6 months or more delinquent, the Association is authorized to place a Lien for the unpaid balance and accrued interest on the Member's Lot and have the Lien recorded by the County Recorder, in addition to continuing interest charges. Any charges for filing a Lien with the County Recorder shall be charged against the Member's Lot. Other remedies may also be pursued concurrently to collect outstanding balances on Member's accounts.

Section 7 - Assessment of Fees. The Board of Trustees shall have authority to assess against the Member and/or Lot owner(s) all legal and other fees incurred by the Association if a Member does not comply with the CC&Rs and/or Building Regulations and rules of the Association.

ARTICLE XIV -- TAXES AND INSURANCE

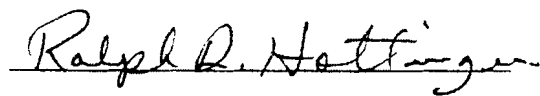
Section 1 - Taxes. It is contemplated that all Members are subject to separate assessments and taxation by governmental entities and special districts for all taxes and assessments authorized by law and that as a result thereof, no taxes will be assessed against the Association as such. Each Member shall pay and discharge any and all governmental taxes, fees or service district assessments that may be charged against any platted lots owned by the Member.

Section 2 - Insurance. The Association shall secure and maintain the following insurance coverage in its own name: Directors & Officers Insurance (including personal injury and property damage coverage for Trustees) in the amount of \$1,000,000 for errors & omissions of the Association, its officers, trustees and agents pursuant to discharging their responsibilities to the Association.

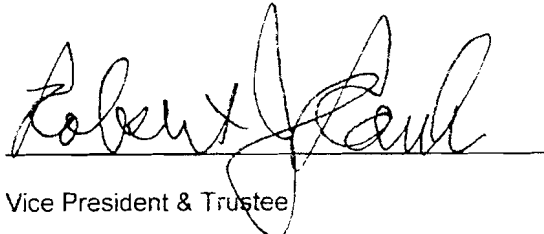
ARTICLE XV - NUISANCE

No Member or occupant of a member's property shall cause, permit, condone or suffer any nuisance created or carried on in or about any platted lot of the Subdivision. In such case, the Board or its Officers may initiate a Cease and Desist Order from the courts, served and enforced by law enforcement officers of Summit County. Other remedies may also be pursued by the Association as may be necessary.

APPROVED AND ADOPTED THIS 4 DAY OF Nov, 2008 BY RESOLUTION OF THE BOARD OF TRUSTEES.



President & Trustee



Vice President & Trustee

